

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 TRSE-00 FEA-01 NSC-05
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02
DODE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00
OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04
ACDA-07 /102 W

-----031477 220101Z /64

R 211600Z JUN 77

FM AMEMBASSY BERN

TO SECSTATE WASHDC 4524

C O N F I D E N T I A L BERN 2816

DEPT PLEASE PASS ALL OECD CAPITALS

EO 11652: GDS

TAGS: ENRG, SZ

SUBJ: CIEC: ENERGY POLICY AFTER CIEC; CONTINUING ENERGY CON-
SULTATION

REF: A) BERN 2578; B) STATE 141244

1. I HAVE CONVEYED POINTS CONTAINED REFTEL B
TO JOLLES. HE COMMENTED THAT HE DEEPLY APPRECIATES
THE ASSURANCE OF THE IMPORTANCE WE CONTINUE ATTACH
TO THE IEA AND ITS ROLE.

2. HE SAID HE FULLY SHARES OUR VIEWS ON THE
NEED FOR CONSERVATION AND ON ACTION TO REDUCE
CONSUMPTION OF PETROLEUM. HE NOTED, HOWEVER,
THAT THESE ARE LONG-TERM PROGRAM WHICH CANNOT
HAVE AN IMMEDIATE IMPACT.

3. IN THIS REGARD, HE SAID HIS OWN APPRAISAL
OF CIEC IS THAT IT SERVED A MAJOR SHORT-TERM SWISS
OBJECTIVE, WHICH WAS TO MAKE PRODUCERS MORE AWARE
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OF THE MACRO-ECONOMIC EFFECTS OF THEIR PRICE
POLICIES. CIEC MAY HAVE MADE A CONTRIBUTION
TOWARDS MORE MODERATION, IN THAT PRODUCERS ARE
MORE CLEARLY AWARE THAT INFLATIONARY PRICE
INCREASES ARE BAD FOR THEM AS WELL AS FOR CONSUMERS.
IN ORDER TO PRESERVE THE VALUE OF THE ASSETS THEY
ARE ACQUIRING THEY NEED A STABLE INTERNATIONAL

MONETARY SYSTEM. PAYMENTS UNBALANCES PRODUCE INSTABILITY. PRODUCERS INVESTING IN FOREIGN MANUFACTURING FACILITIES, OR IN THEIR OWN, NEED MARKETS FOR THEIR PRODUCTS. IF THEY UNDERMINE THE FREE FLOW OF GOODS AND SERVICES THROUGH DESTABILIZING POLICIES, IT IS THEIR MARKETS WHICH WILL SUFFER. THE WORLD'S INDUSTRIAL SECTOR CANNOT REMAIN PRODUCTIVE UNDER THOSE CONDITIONS.

3. JOLLES IS UNDER NO ILLUSIONS AS TO THE EXTENT TO WHICH MANY PRODUCERS ARE WILLING TO FOREGO CURRENT PROFITS IN ORDER AVOID DERIVATIVE EFFECTS. THEY WILL TRY AVOID THOSE EFFECTS, TO EXTENT POSSIBLE, BY SEEKING SECURE STORES OF VALUE. NOR DOES HE UNDERESTIMATE THE IMPORTANCE OF THE US-SAUDI BILATERAL RELATIONSHIP AS AN EFFECTIVE MODERATING FORCE. HOWEVER, HE DOES BELIEVE THAT CIEC HAD A BENEFICIAL, IF MARGINAL, IMPACT.
DAVIS

NOTE BY OC/T: NOT PASSED TO ALL OECD CAPITALS.

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: BERN
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ISecure: 1
Legacy Key: link1977/newtext/t19770637/aaaabgbp.tel
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Litigation Codes:
Litigation History:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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